## **BUDGET RESOLUTION/Education Spending Increase**

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 1996-2002...S. Con. Res. 13. Exon motion to waive section 305 of the Budget Act for the consideration of the Harkin/Bumpers amendment No. 1117.

## **ACTION: MOTION REJECTED, 47-51**

SYNOPSIS: As reported, S. Con. Res. 13, the fiscal year 1996 Concurrent Budget Resolution, will reduce projected spending over 7 years to balance the budget by fiscal year (FY) 2002 without increasing taxes. Savings that will accrue from lower debt service payments (an estimated \$170 billion) will be dedicated to a reserve fund, which may be used for tax reductions after enactment of laws to ensure a balanced budget. Highlights include the following: the rate of growth in Medicare will be slowed to 7.1 percent; Medicaid's rate of growth will be slowed to 5 percent and it will be transformed into a block grant program; the Commerce Department and more than 100 other Federal programs, agencies, and commissions will be eliminated; welfare and housing programs will be reformed; agriculture, energy, and transportation subsidies will be cut; foreign aid will be cut; defense spending will be cut and then allowed to increase back to its 1995 level; and Social Security will not be altered.

The Harkin/Bumpers amendment would provide that \$40 billion of the funds that will accrue in the reserve fund created by this resolution (approximately \$170 billion is expected to accrue) would be spent on education programs; \$28 billion of the amount would be spend on discretionary programs and \$12 billion would be spent on direct spending programs. (The resolution provides that the fiscal dividend that will accrue may be used for revenue reductions (tax cuts); no other purpose will be permitted; if not used for revenue reductions, the funds will be used to further reduce the debt. The Senate later voted that the fiscal dividend shall, instead of may, be used for family tax relief and incentives to stimulate savings, investment, job creation, and economic growth (see vote No. 214)).

Following debate on the Harkin/Bumpers amendment, Senator Domenici raised the point of order that it violated section 305(b)(2) of the Budget Act. Senator Exon then moved to waive section 305. Generally, those favoring the amendment favored the motion to waive; those opposing the amendment opposed the motion to waive.

NOTE: A three-fifths majority (60) vote is required to waive this section.

(See other side)

YEAS (47)			NAYS (51)			NOT VOTING (2)	
Republicans	<b>Democrats</b> (45 or 100%)		Republicans (51 or 96%)		Democrats (0 or 0%)	Republicans Democrats	
(2 or 4%)						(1)	(1)
Campbell Jeffords	Akaka Baucus Biden Bingaman Boxer Breaux Bryan Bumpers Byrd Conrad Daschle Dodd Dorgan Exon Feingold Feinstein Ford Glenn Graham Harkin Heflin Hollings	Inouye Johnston Kennedy Kerrey Kerry Kohl Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Nunn Pell Pryor Reid Robb Rockefeller Sarbanes Simon Wellstone	Abraham Ashcroft Bennett Bond Brown Burns Chafee Coats Cochran Cohen Coverdell Craig D'Amato DeWine Domenici Faircloth Frist Gorton Grams Grassley Gregg Hatch Hatfield Helms	Hutchison Inhofe Kassebaum Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Packwood Pressler Roth Santorum Shelby Simpson Smith Snowe Specter Stevens Thomas Thompson Thurmond Warner		EXPLANAT  1—Official  2—Necessar  3—Illness  4—Other  SYMBOLS:  AY—Annot  AN—Annot  PY—Paired  PN—Paired	ily Absent  unced Yea unced Nay Yea

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## **Those favoring** the motion to waive contended:

No one argues with the need to balance the budget, nor does anyone dispute the value of a solid education. It is safe to say that all or most Senators strongly favor both. Unfortunately, though, this budget resolution will sacrifice the education of millions of Americans as part of the effort to balance the budget. This action is not necessary to balance the budget, and in the long run will prove damaging to our budget. The Harkin amendment would correct this unfortunate action by using \$40 billion of the fiscal dividend to increase spending on education back to the levels that are projected under current law.

Liberals, conservatives, business groups, consumer groups, civil rights activists--literally everyone in American is in absolute agreement that the key to America's future rests on an effective educational system, and that the current system is failing our children. This budget resolution disregards this remarkable consensus in its zeal to slash Federal spending. A whopping, ill-considered \$40 billion in savings over 7 years is assumed from Federal educational programs in S. Con. Res. 13. To their credit, our Republican colleagues deserve an "A" for fiscal responsibility, because they have shown the courage to offer a balanced budget, but to their shame they deserve an "F" for their treatment of children in this budget.

Starting with pre-school children, this resolution will freeze funding for Head Start at this year's levels. Due to inflation, this freeze will result in 350,000 to 550,000 fewer children being enrolled in this successful program for underprivileged children. We think that we need to be increasing enrollment, not decreasing it. Moving on to elementary and secondary education, we find that this budget will result in the Federal share of funding for local schools falling from the current 2.2 percent (not counting the school lunch program) to 1.4 percent. Those cuts will come from the drug-free-schools program, from the disabilities program, from the teacher training program, and from the distance learning program. The cuts in this funding will not eliminate the need for it, so local school districts will just have to raise their property taxes to make up for the shortfall. Again, this budget gets an "F". Finally, moving on to college students, we find that this budget will increase costs by \$40,000 for graduate students, and will slash the value of Pell grants. Right now the average value of a Pell grant is \$2,590. Under this budget resolution, in the year 2002 the average value will be \$1,501. At the same time, the costs of attending a State University are expected to rise from the current \$5,314 to \$8,026. Pell grants are for poor and low-income students who cannot otherwise afford to attend college. This budget resolution essentially tells those students not to bother to apply, because even with grants they will not be able to afford to go. As bad as the numbers are for Pell grants for undergraduate school, the numbers for graduate school are even worse. The increased interest charges that will hit graduate students will result in a \$40,000 increase in costs. This fact, in addition to being personally terrible news for graduate students, is also terrible news for the future of America. America's graduate institutions are the best in the world. Students from virtually every country on earth vie for the opportunity to receive a graduate degree from an American university. Formerly, this reputation served America well, because those foreign students, after receiving their degrees, stayed in America and greatly contributed to its economic well-being. Times have changed; most foreign students now return home, and work for companies that compete with American companies. By cutting the value of graduate education loans, we will decrease the number of highly educated Americans we are going to need in the future to compete effectively with the rest of the world. By educating foreign students and not our own, we are cutting our own throats.

Overall, the cuts in education funding in this budget resolution are very short-sighted. If the United States is going to prosper in the modern world, it is going to need an educated workforce. Cutting funds for education may save a little money in the short-term, but will prove disastrous over the long haul. Therefore, we strongly urge our colleagues to support the motion to waive the Budget Act for the consideration of the Harkins/Hollings amendment.

## **Those opposing** the motion to waive contended:

If this debate has illustrated anything, it is that our colleagues rate Federal educational programs by the amount of money that they spend. Effectiveness and efficiency seem to be totally alien concepts to them. Further, even in the one area that they have obsessed upon, spending, they have used a distorted set of numbers to leave the false impression that Federal spending on education has gone into a free fall. The opposite, though, is true, and our colleagues objections to the numbers in this resolution are in reality only an objection to Republican proposals to stop Democrats before they can spend again.

If pumping money into educational programs were the solution to providing a good education, every kid in America would make Albert Einstein look like Forrest Gump. Educational spending, at every level of Government, has grown at tremendous rates in the past few decades. In constant, 1965 dollars, Federal spending on education has more than doubled in the last 30 years. Our colleagues assumption that the Federal effort has declined is based on the misleading statistic that Federal educational spending, as a percentage of total spending, has declined. While it is true that it has declined relative to other spending, that decline is meaningless because other spending has increased even more than educational spending. That uncontrolled spending, of course, is the overall problem that we are determined to solve with this budget resolution, despite the efforts of our Democratic colleagues to sabotage our efforts with amendments such as this amendment.

Our Democratic colleagues have contended that the spending restraint in educational programs that will be exercised by this

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budget resolution will result in the decimation of the quality of education in America. They do not mention that Federal educational spending comprises only 6.6 of all educational spending in America. Education has always been primarily a State and local government responsibility. Neither do they mention that the numbers in this resolution merely reflect a return to the 1992 spending levels, which were drastically increased in President Clinton's 1993 record high tax increase package, which also increased spending dramatically (except, of course, for defense). When one looks at the numbers in this budget resolution, the first thing that one must realize is all they reflect is a reduction from their historically high level.

Some Senators have admitted that the Federal Government spends relatively little on education, but have countered that it targets its spending, and that in the areas that it targets its spending it is responsible for most of the funding. The first part of this claim is true--the Federal Government's efforts are primarily to provide loan support for higher education and to provide funding for special education. However, especially in the latter area, it does not provide as much as claimed. For example, in return for imposing enormously expensive special education mandates on the States, the Federal Government currently picks up 8 percent of the tab. Our colleagues would prefer that we pick up a greater share of the tab; we would prefer that inflexible mandates be loosened so States could save money without cutting the quality of special educational programs.

In describing the effects of the funding levels for education in this budget, our colleagues have taken liberties with the numbers. For example, some Senators have said that this budget will cut the number of students receiving Pell grants. They have further charged that the average graduate student receiving these subsidized grants will end up paying back \$40,000 more as a result of the funding levels in this budget. However, the numbers in the budget resolution are based on the assumption that the number of such students will remain constant for the next 7 years, and that the value of the average grant--\$2,340--will remain exactly the same. Every year the total amount that will be available to be borrowed will rise. The \$40,000 figure that our colleagues have bandied about is based on the assumption that graduate students will have to pay interest on their loans through undergraduate and graduate school. This assumption is false. The only change in this resolution will be the accrual of interest during graduate school. In the most extreme of cases, covering 1 percent of graduate students, this change may increase costs up to \$17,000, or 10 percent of the maximum amount of \$173,000 that a student may be required to repay (based on the maximum borrowing of \$65,000 over 6 years repaid over 30 years). Of course, this increase does not take into consideration the fact that this budget resolution will result in 2 percent lower interest rates. Anyone who has ever refinanced a debt to drop 2 percentage points off a loan understands that the benefit over 30 years of a 2 percent drop on a \$173,000 loan is a lot more than \$17,000. Right down the line, all our colleagues' charges that our cuts will hurt this or that group are false.

Given our colleagues fixation with spending, one might assume then that the problem is that State and local governments have become parsimonious with students. This assumption, too, would be wrong. Per-pupil spending has tripled since 1960, resulting in an average cost of \$5,971 in 1993 figures. According to the Education Commission of the States' report, per pupil spending nationwide rose by 30 percent in the 1980s. Some Senators may then posit that the money is unevenly distributed among schools, with the students in schools with less money doing more poorly than the students in schools with more money. These Senators, too, would be wrong. Social science research has consistently found an inverse relationship between funding and performance--the more money is spent, the worse the students do. Public school students in North Dakota have the least amount spent on them in the country, yet they have the highest test scores. Similarly, parochial school students in inner cities, which generally have per pupil expenditures that are only a minor fraction of the per pupil expenditures of public schools, perform much better than their public school counterparts. Over the years, the data has been so surprisingly constant for every type of survey conducted that the senior Senator from New York, the premier social scientist in this institution, once whimsically suggested that there must be a direct cause-and-effect relationship. Of course, neither he nor we believe that spending money on education harms students. Obviously, other factors must be at work.

We have identified five such factors by comparing schools that succeed in teaching children with schools that fail or wallow in mediocrity. First, schools that stick with basic, core subjects--reading writing, arithmetic--do well, while those that try alternative, experimental programs, or that worry more about building esteem, diversity and sensitivity training, or pursuing other trendy educational methods do poorly.

Second, schools that have discipline do much better than schools that do not. Every day a large percentage of students take guns and knives to school, not because they are aggressive, but because do-good liberals have made it so difficult to discipline dangerous students that many decent kids are in fear for their lives. Local school districts are not principally to blame; Federal judges and Congress are, for their rulings that have found expansive civil rights protections for pathologically dangerous "students," and for their laws, such as the Individuals with Disabilities Act, which the Supreme Court has ruled gives protection from removal from school of those students whose very disability is that they are psychotically violent.

The third factor that we have found that is a strong indicator of a school's performance is its level of bureaucratization. A great deal of this bureaucratization has been caused by the Federal Government, which has imposed numerous paperwork requirements and mandates on the States. Sometimes, those mandates are accompanied by a little bit of money; sometimes they are not. In other cases, the problem has been that teachers see a move into the administrative ranks as a normal progression in their careers; to accommodate teachers' wishes, some school systems have consequently become top-heavy with administrators.

The fourth factor is the degree of parental and community involvement. When parents and communities have a voice in how

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schools are run, those schools do well. Kids start doing their homework, showing up for school, and participating in class. For whatever reason, when dictates come from on high on how schools must be run, performance on low hits new lows. When we say "on high" we do not mean in the traditional, celestial sense, but rather in the modern, mundane sense of a mandate from Federal or other governmental officials.

This observation leads us to the last factor that appears to dictate student performance, which is values, including religious values. We understand the controversial nature of this factor for many Senators of the American Civil Liberties Union (ACLU) persuasion, who seem to think that the only book that is so obscene that it should be banned from the schools is the Good Book. Unfortunately, official government neutrality towards religion in many public schools has mutated into mindless hostility, which has gone so far as to equate the teaching of traditional moral and ethical principles as the establishment of religion. The American people of all religious and nonreligious backgrounds, and most importantly children's parents, hold common moral and civic values that they want to be passed on to their children. Schools that follow this desire do a better job teaching children.

We have gone through this recitation as a prelude to the debates we are looking forward to in the coming years. Republicans understand what the Democratic approach is to declining student performance--create new Federal programs to spend more of the taxpayers' money. Democrats have consistently followed the approach and have consistently failed. Now that Republicans control both Houses of Congress for the first time in nearly 50 years, we inform our colleagues that new approaches that address some of the factors we have just listed are likely to be soon discussed on the Senate floor. The Department of Education, which oversees 250 programs, employs 5,000 people, and imposes countless mandates on the States, should prepare itself for changes. Students may benefit from voucher programs, and violent students may soon find that they no longer have the right to terrorize other students and teachers. These changes will improve student performance without increasing expenses. The Harkin amendment will not. It will only spend more money. We therefore urge its rejection.